



November 30, 2015

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The Honorable Kevin Brady  
Chairman  
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U.S. House of Representatives  
Washington, DC 20515

The Honorable Sander Levin  
Ranking Member  
Ways and Means Committee  
U.S. House of Representatives  
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The Honorable Orrin Hatch  
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The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
U.S. Senate  
Washington, DC 20510

Dear Chairman Brady, Ranking Member Levin, Chairman Hatch, and Ranking Member Wyden,

On behalf of Research!America, a nonprofit alliance of patient advocacy organizations, universities, academic health centers, industry, scientific societies, and independent research institutes committed to advancing health through research, I am writing to urge you to suspend the medical device excise tax as part of legislation to extend expiring tax credits.

The 114<sup>th</sup> Congress has demonstrated a rock solid, bipartisan commitment to speeding the pace of medical progress. We believe the groundwork you are laying now can usher in a new era of unprecedented progress against Alzheimer's, cancer, paralysis and other threats to the health and wellbeing of the American people.

Unfortunately, the 114<sup>th</sup> Congress has not yet been able to find a viable path forward on repeal of the medical device tax. We firmly believe that if accelerating the pace of medical progress, bolstering US innovation output and capacity, and growing jobs are American objectives, the nation is blocking its own path by sustaining the medical device tax. By disincentivizing investment in medical device R&D, the medical device excise tax works against progress toward new medical technologies that can save lives and provide transformative support to individuals with disabilities.

Not only does the tax divert capital from medical device R&D at the expense of patients, it negatively impacts some patients more than others. That is because medical devices are particularly important for certain health conditions, such as

cardiovascular disease, paralysis, combat-related injury, and organ failure. The device tax biases investment decisions away from these conditions, an unintended – and wholly unjustifiable – consequence.

Another public policy concern is the negative impact of the device tax on the development of new diagnostic tools. According to a National Academy of Medicine report released in September of this year, an estimated 12 million American patients are misdiagnosed each year and diagnostic errors are a factor in 10% of patient deaths. A 2013 study published in the Journal of British Medicine found that over a ten-year period, diagnostic error was the most common, costly and dangerous medical mistake, accounting for the highest proportion of medical malpractice claims and payouts. To advance the health of Americans and responsibly reduce healthcare costs, our nation should be encouraging, not discouraging, investment in new diagnostics.

Medical device R&D drives medical progress in profoundly important ways. Repealing or suspending the medical device excise tax is a pragmatic means of putting more medical innovation to work for Americans. Thank you for your commitment to advancing smart and strategic reforms to current tax policy, and for considering our views.

Sincerely,

A handwritten signature in cursive script that reads "Mary Woolley".

Mary Woolley  
President and CEO

cc: Speaker Paul Ryan, Democratic Leader Nancy Pelosi, Majority Leader Mitch McConnell,  
and Democratic Leader Harry Reid